BSBSTR601
Manage innovation and continuous improvement

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Start Short Answer 1

Establish ways of working within team

1.1 Identify relevant team members and communicate ways of working objectives, expectations and desired outcomes

Establish ways of working

This unit will aim to explore the skills and knowledge required to sustain and develop an environment in which continuous improvement, innovation and learning are promoted and rewarded. It is designed for those with managerial responsibilities who are aiming to build a more effective and rewarding work environment.

Identify relevant team members

Identifying and selecting the right professionals to build an effective team can be challenging. It is often the responsibility of the manager or individuals with managerial responsibilities to select the relevant people and delegate tasks to them. Choosing the right team members can be the biggest factor in determining whether your project or task will be successful.

Identify relevant team members

How to identify effective and relevant team members:

- Look for excellent communicators who can address concerns
- Hire or assign people who are the best fit for the role/task (based on strengths and weaknesses, skills and knowledge)
- Seek proactive team members
- Prioritise skills and knowledge over certifications.
- Let team members know what to expect from the role and the challenges involved
- Find people who are motivated and willing to comm to their role.

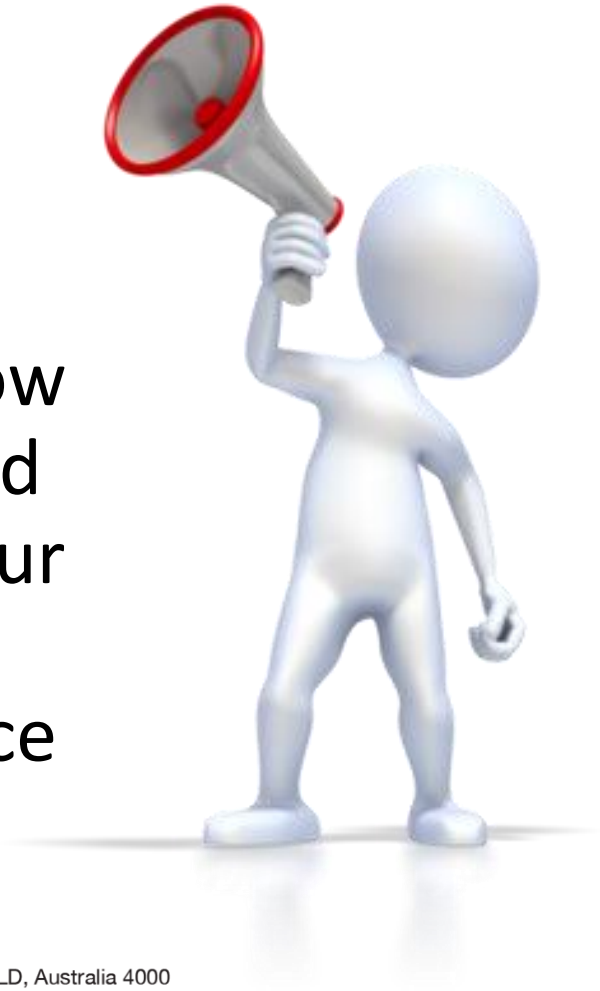
Managing a team

How to manage your team effectively:

- Maintain good communication
- Build positive working relationships
- Acknowledge good work
- Be decisive
- Delegate jobs to the right people
- Manage conflict
- Set a good example.

Communicate ways of working

In your role to manage and supervise work, you will be a key element in workplace communications. Management decisions and information will need to be shared at different times; this will determine how work activities are planned and carried out across the organisation, and in your team or workgroup. Your team or group will require instruction, guidance and clarity in their work activities.



Communicate ways of working

For example, communications can be:

- Interpersonal (sharing and discussing information, ideas and thoughts)
- Instructive (giving information on tasks and how to do them)
- Presentational (presenting information to others).

Communicate ways of working

Communications are needed for many work activities; this includes:

- Business reporting and planning
- Discussing work in meetings
- Allocating work to team members
- Instructing and training others
- Resolving issues and conflicts with employees
- Conducting performance appraisals/reviews.

Establish ways of working within team

1.2 Identify and establish strategies to monitor and evaluate performance and sustainability of key systems and processes

Identify and establish strategies

It will be necessary to analyse your business systems and processes for the identification of improvement strategies. You should consider how innovation is actively promoted and practised within your workplace. It will also be important to analyse the methods of manufacturing and distributing products to customers. All of the practices should be streamlined and optimised to maximise the chances of meeting your business objectives.

Identify and establish strategies

Effective business management will involve the monitoring and evaluation of performance, in accordance with your organisational goals. You may have established key performance indicators (KPIs) relating to the amount of money that is being generated and the levels of customer satisfaction. Managers may need to change and adopt new strategies if the targets aren't being met.

SMART

Consider the smart acronym when developing new objectives:

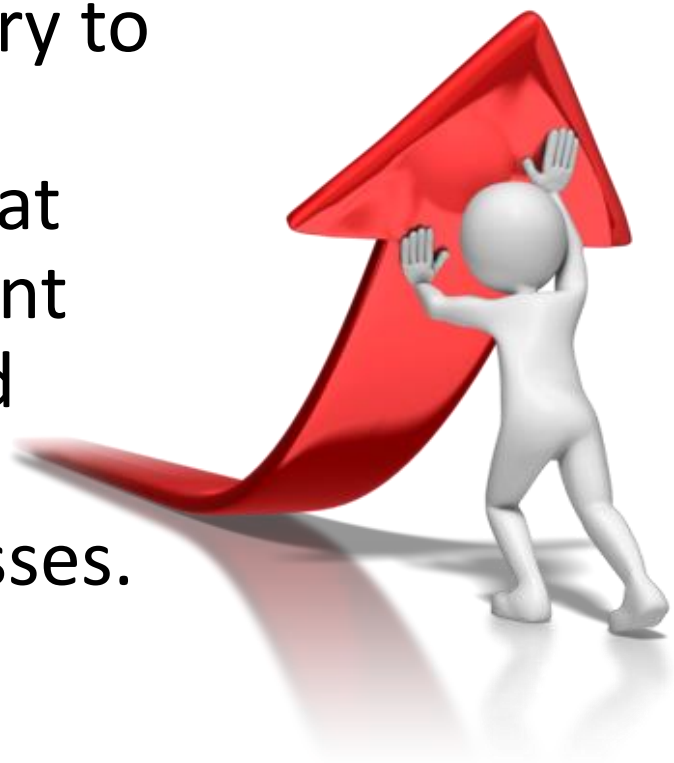
- Specific
- Measurable
- Achievable
- Realistic
- Time-specific.

Monitoring financial performance

Effective financial management will be essential for the sustainability and growth of your business. You may take the opportunity to measure performance budgets against actual expenses or compare the past with current profits. You should account for the various types of income and expenditure. Enough cash flow should be generated for the maintenance and growth of your business.

Considering other business factors

The performance of your business shouldn't be measured purely in financial terms. You should consider the effects of training on efficiency. It is also necessary to consider the level of innovation within your business. Consider any success that has been enjoyed after the development and release of brand new products and services. Compare your growth in particular markets against rival businesses.



Considering other business factors

You are encouraged to use the following methods of analysis and evaluation:

- Benchmarking
- Financial analysis
- Questionnaires and interviews
- Mystery shopping visits
- Social media monitoring
- Business meetings
- Quantitative employee analysis.

Establish ways of working within team

1.3 Consult and seek advice from stakeholders, to identify opportunities for improvement

Who are stakeholders?

Stakeholders refer to any person or group of people who will affect or be affected by the performance of a business. Stakeholders can be internal or external and will differ between different workplaces. Internal stakeholders come from within the organisation, and external stakeholders are those who are outside of the organisation but have a vested interest and interact with it in some way.

Who are stakeholders?

Internal stakeholders are usually employees, managers and owners, and in some businesses, this can often include students and volunteers. External stakeholders are usually funders or investors, suppliers, customers, policymakers and regulators etc.

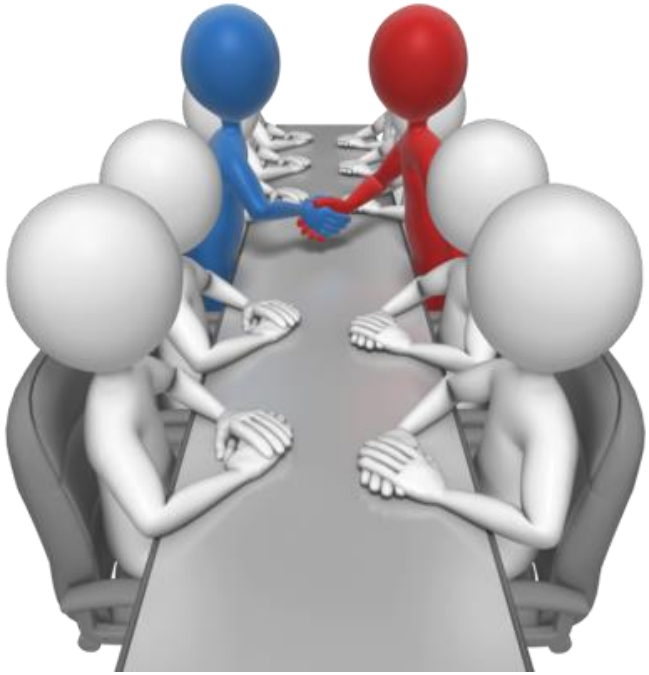
Who are stakeholders?

Examples of stakeholders include:

- Employees
- Investors
- Suppliers
- Customers
- Community
- Government bodies.

Stakeholder consultation

Consulting with stakeholders regularly allows you to develop constructive and productive relationships with them that will be of mutual benefit. It will enable you to identify and monitor trends and emerging challenges that could impact the business, and it will allow them to ask questions and get the information they need in return.



Methods of consultation

You will need to decide which methods to use for consultation with stakeholders. This will depend on how much information and knowledge is required. Qualitative research is approaches which encourage open discussion and debate to find out the views and perceptions of the stakeholders. Quantitative methods are approaches that reach a larger number of people and use more closed questions.

Methods of consultation

Methods of consultation could include:

- Focus groups
- Surveys – paper or online
- Public meetings
- Individual interviews
- Online discussions and debates.

Establish ways of working within team

1.4 Communicate with and mentor team members on ways of working that contribute to continuous improvement / **1.5** Communicate with and coach team members how they can be innovative

Communicate with team members

Regular and clear communication is essential in an organisation, to ensure that all team members are striving to meet common organisational goals and combining their skills in the aim of improving performance and business success. Team members should be mentored to work in a way that contributes to continuous improvement and innovation.

Communicate with team members

It will be necessary to communicate with the following groups:

- Project groups
- Cross-functional groups
- Self-directed work groups.

Continuous improvement

Continuous improvement and innovation (CI&I) is a strategy that can be used to drive business improvement and innovation. The process focuses on achieving regular and frequent improvements and innovations that contribute directly to the goals and objectives of the business, such as improving the products, services or processes of an organisation.

Continuous improvement

The principles of continuous improvement business strategy:

- Make incremental changes
- Employees should provide ideas
- Employees should take ownership
- Improvement is reflective
- Improvements can be measured and repeated.

Continuous improvement strategies

All employees should be aware of the shared responsibility for continuous improvement. The coaching sessions and consultations should include details of the appropriate means of reducing waste and streamlining operational business processes.

Encouraging innovation

Innovation is essential if businesses are to stand out from the competition and grow. Innovation can take many forms, including the production of unique products, and development of outstanding customer service. All employees should be encouraged to provide suggestions for innovation and feedback on processes.

Encouraging innovation

Employees should adopt the following strategies:

- Learn lessons from the competition
- Share ideas and try new methods
- Carry out preliminary tests on a small scale
- Collaborate and partake in business competitions focused on innovation.

Encouraging innovation

Businesses may enjoy the following benefits upon the successful promotion of innovation:

- Production of high-quality products and increased profitability
- Increased staff loyalty and commitment
- Enhanced efficiency in the use of professional resources
- Increased flexibility and adaptability.

Establishing rapport

Creating rapport is about using your interpersonal skills to communicate effectively with different people and build relationships. Establishing rapport can help to encourage a continuous improvement culture in the workplace. People are more likely to listen to you, be motivated by you and come to you with ideas for improvements.

Establishing rapport

To establish rapport with team members, you should:

- Try and find something you have in common
- Use positive, confident and co-operative language
- Be interested in what people are saying
- Interpret non-verbal and verbal messages and react accordingly or mirror their body language
- Be aware of cultural differences.

Identify improvements

2.1 Analyse performance reports and variance from organisational plans within workplace

Analysing performance reports

There are various performance reports which may be used to highlight organisational development and identify areas that need improvement. Performance reports may include quantitative data such as sales results or marketing campaign outcomes, or qualitative data such as customer survey results.

Analysing performance reports

The analytical steps should include:

- Identification of key performance indicators for a particular aspect of your business
- Accumulation of key data and formulation of reports
- Preparation of reports
- Comparison of results
- Analysis of the reasons for variance.

Analysing performance reports

You may reference the following reports:

- ➢ Budget/cost variance
- Customer service
- Environmental
- Financial
- Workplace health & safety
- Quality.

Analysing performance reports

You should gather organisational data and reports that align with your business goals and time frame. Review the reports and look for information related to your analysis goals. Try to identify patterns, significant changes, and any numbers that are too high or low. Identify and document the trends identified, draw out the most important findings, and then summarise them in a report or email.

Identify improvements

2.2 Identify and analyse changing trends and opportunities relevant to the workplace

Identify changing trends

The analysis of trends and opportunities will be essential if you are to strengthen your position in a particular industry. You might identify a downward trend in customer preference for certain products. Alternatively, you may discover that a change of business operation has stimulated significant financial growth.

Identify changing trends

There are various methods and resources that can be used for the identification of business trends. You might discover important information in magazines and newspapers related to your industry. It is also important to reference internal data. If you'd like further information about business trends, then it would be worth attending major events and networking sessions.

Sources of information

Individual answers are likely to vary. However, learners may mention the following information sources:

- Business magazines and newspapers
- Business events
- Internal business data
- Customer information.

Methods of trend analysis

‘Trend analysis is a technique used to project the current and future movement of events. It involves the comparison of data over a specific period to spot a pattern or trend. Trend analysis methods can be used to forecast how the business will perform.’ You should have routine systems for monitoring and evaluating key trends.

Methods of trend analysis

You may adopt the following analysis methods:

- Past trend analysis
- Internal trend analysis
- External trend analysis.

Evaluating trends

Evaluating trends helps you to determine whether you can use them to predict future changes and whether a certain trend is relevant to your business. You can then create an action plan to counter or support the trend, depending on whether it is beneficial for your business or not.

Evaluating trends

How to evaluate trends:

- Check the underlying data
- Separate actual data from projections
- Look for possible reactions
- Identify implications for the business.

Identify improvements

2.3 Collect data and analyse areas for improvement in supply chains, and operational and service system / 2.4 Conduct a gap analysis of supply chains, and operational and service systems and identify improvement needs and opportunities

The supply chain process

A supply chain is a network between a company and its suppliers to produce and distribute a specific product to the final buyer. It also represents the steps taken to get the product or service from its original state to the customer. The entities usually involved in a supply chain include producers, vendors, warehouses, transportation companies, distribution centres, and retailers.

The supply chain process

The supply chain process typically involves the following stages:

1

- Supply of goods and equipment

2

- Factory based production

3

- Warehouse storage

4

- Distribution to the customers

Analysing supply chains

It is very important to analyse and consider the efficiency of the supply chain process. You are encouraged to map out the various stages, specific to your business. Consider the speed of transporting essential equipment and the cost of raw materials. Think about the efficiency of your chosen methods of production.

Analysing supply chains

Rules for the delivery of products and services:

- You should make every effort to maintain consistency with regards to the production and distribution of goods
- It will be necessary to maintain high standards with regards to the production and delivery of quality products.

Analysing operational systems

There are a variety of operational systems, which result in the delivery of specific products to your customers. You have to account for how products are made, packaged, and stored within your premises. Specific processes must be analysed to identify ways of minimising cost and ensure that all business resources are used effectively. Each operational process should be optimised.

Product and service delivery systems

Analyse the management and distribution of stock specific to the business. The advantages and disadvantages of the location of the business will need to be considered. It may be beneficial to move closer to customers or make use of external distribution services for improved efficiency. It may also be cost-effective to outsource the production of certain business items, without compromising the quality of products/services offered by the business

Conducting a gap analysis

The purpose of a gap analysis of supply chains is to measure the differences between the current situation and the desired situation. Identifying gaps in this allows the business to work on closing them. A gap analysis is usually conducted by supply chain management and key employees in the organisation. It is used to clarify to what extent a company is meeting its goals, using specific performance objectives.

Information required to perform a gap analysis

- Performance targets for the company supply chain
- Data used for the calculation of supply chain key figures
- Agreed timeframes and targets
- Goals for the future situation and performance of the business.

Conducting a gap analysis

How to perform a gap analysis:

- Identify the area to be analysed and the goals to be accomplished
- Establish the ideal future state of the business
- Analyse the current state of the business
- Compare the current state with ideal state
- Describe the gap and quantify the difference
- Summarise the recommendations and create a plan to bridge the gaps.

Example of a gap analysis

An example of a gap analysis:

Range of measurement	Target	Realised	Gap
Delivery time	12 days	20 days	8 days
Lead time	2 days	7 days	5 days
Inventory turnover	12 times	6 times	6 times
Quality	99 %	94 %	5 %
Scrap	1 %	4 %	3 %

Identify improvements

2.5 Communicate with and agree on team members identified improvement needs and opportunities

Communicate with team members

Once improvement needs and opportunities have been identified, you will need to communicate with team members to agree on these. Methods of communication must suit the business environment and workplace. Your organisation will establish processes and identify communications equipment and technologies that are relevant.

Methods of communication

Methods of communication could include:

- Spoken communications
- Written communications
- Visual communications
- Non-verbal communications.

Spoken communications

This communication will require you to:

- Engage and establish a rapport
- Use an appropriate tone and language
- Be aware of professional and emotional reactions
- Respond to the flow and direction of the communication.

Written communications

Written information is helpful when:

- You need to give facts and figures
- You send instructions or complex messages
- You need to have evidence of communication.

Visual communications

Visual communication includes:

- Images
- Graphs, tables and charts
- Graphical elements, such as decorative symbols
- Colour
- Design.

Non-verbal communications

Non-verbal communication includes:

- Body language
- Gestures
- Facial expressions
- Touch and use of personal space
- Appearance
- Silences or pauses in conversations
- Changes with voice tone, volume or pitch.

Identify improvements

2.6 Identify learning opportunities for team members

Identify learning opportunities

Regular training and development are important for all staff in an organisation. When making improvements in the organisation, you may identify learning opportunities for team members. For example, you may be implementing new technology, products or processes in the workplace and this will require team members to learn it so they can carry out their role.

Identify learning opportunities

It could involve staff learning key skills in various areas:

- Finance
- Sales
- Marketing
- Administration
- Staff management.

Training & development methods

Identify the most suitable training methods based on the training and development needs. For example, coaching and mentoring can be effective for developing an individual's knowledge and performance based on specific skills and goals. Conducting personalised one-to-one meetings and on-the-job training can help individuals to improve their performance.

What to do after learning opportunities have been identified?

- Create a training needs report for a specific department or the whole organisation, which can be used as a framework for the training and development strategy and business planning
- Identify which training needs are the most critical or time-sensitive by discussing them with managers
- Produce learning and development plans for team members with input from line managers, taking into account identified training needs. Set priorities and budgets in place for the training
- Create personal development plans for individual training.

Training & development methods

On the other hand, if you are training a team or a larger group of people then it would be more suitable to introduce a training scheme and classes. This can be a collaborative approach but can also be more time-consuming due to the preparation involved.

Learning technologies

Technology can be beneficial in assisting the training and development strategy. Many organisations are moving gradually towards digital and mobile technology, with an emphasis on flexible remote working. This is encouraging businesses to consider new innovative training approaches.

Organisational learning

The successful promotion of organisational learning can lead to:

- Improved efficiency
- Improved productivity
- Increased profit
- Employee commitment to the business
- Enhanced business standards
- Adaptability and flexibility.

Start Short Answer 2

Implement innovative processes

3.1 Confirm objectives, timeframes, measures and communication plans are in place to manage implementation / 3.2 Address the impact of change and consequences for people and implement transition plans

Setting objectives for change

If you want your employees to combine and do their utmost to achieve a proposed change, then it will be necessary to set realistic and achievable objectives in the organisation.

Setting objectives for change

You may outline the following objectives:

- Achieve improvements in productivity and efficiency
- Increase market share
- Produce unique products and differentiate the business
- Improve customer relations.

Developing timeframes

The change will be most effective if it is implemented gradually. Employees should be given the chance to adapt over time. There should also be preparation for bottlenecks in the process. It may even be worth trialling the change on a select group of employees and obtaining feedback about the effects.

Creating communication plans

Employees should be informed of valid reasons for implementing change. These may vary; from the need to limit the number of customer complaints, to capitalisation on the development of new technology. Employees should be allowed to state and explain any reasons for objection to the proposed change. Management should take these views into account and respond appropriately.

Creating communication plans

Consider the following methods of communication:

- Bulletin boards, newsletters
- Change booklets and manuals
- Demonstrations
- Formal group meetings
- Emails and faxes
- Intranet messages
- One on one discussions
- Videos
- Workshops.

Measuring the impact of change

The effects of change in a business can be categorised in a number of ways. You might be keen to record generated profits, levels of training, increases in the speed of manufacture, and levels of interest shown in brand new products or services. However, you should be aware that fluctuations in customer demand and sales may occur for a variety of reasons.

Addressing change

Employees may enjoy some notable benefits as a result of change:

- Rewards and increased responsibility
- Increased earnings
- Reduction in the amount of time required to complete business tasks
- Greater commitment and satisfaction as a result of positive change.

Addressing change

It is also important to account for the negative consequences:

- Confusion upon the initial implementation of changes
- Increased anxiety about job security
- Difficulty adapting to procedural changes
- Reduced responsibility and earning potential
- Emotional trauma
- Forced relocation.

Negative impacts of change

You may adopt the following change management strategies:

- Communicate the reasons for change
- Identify workers with responsibility for implementing change
- Organise appropriate training and support for those affected by changes
- Regularly review the impact of change.

Implementing transition plans

Transition plans should be created for the purpose of helping people during times of organisational change. They will outline the objectives, priorities, and strategies which will be followed during the implementation of change. They may also include financial projections.

Implement innovative processes

3.3 Implement contingency plans in the event of non-performance

Contingency planning

Contingency plans should be created in case business changes result in partial or complete failure. They should highlight appropriate actions for limitation of negative consequences. Contingency plans may have to be implemented due to mistakes made by your employees, or changes in legislation. You will likely have identified such negative scenarios while carrying out your SWOT analysis.

How do we implement a contingency plan?

When developing and implementing a contingency plan, different members of the organisation should be consulted for their specific knowledge and views. All potential risks and events should be listed, and time allocated to identify suitable solutions. The risks should be ranked in terms of likelihood and potential impact.

The plan should be reviewed and updated regularly to make sure it is relevant and effective. It should be distributed to relevant stakeholders in the business, and feedback must be taken into account. You should also accumulate data about past events and test the contingency plan to find out whether it is effective.

Contingency planning

The risks could include:

- Damage to property and equipment
- Natural disasters
- Delays in receiving goods from suppliers
- Failure of equipment
- Negative publicity about products
- The development of a rival business
- Changes in legislation.

Writing a contingency plan

Different members of your organisation should be consulted when developing a contingency plan. They may have specific knowledge about the scenarios which could have a significant impact on your business. All of the potential risks and events should be listed and time allocated for the identification of suitable solutions.

Writing a contingency plan

Here is an example of a contingency plan template:

Type of event	Likelihood	Potential impact	Appropriate response	Staff members involved	Resources required
Heavy snow preventing staff from getting to work	High	High	Provide staff with suitable equipment to work from home e.g. laptops, mobile phones	Digital team	Laptops Mobile phones Money

Implement innovative processes

3.4 Follow up failure by investigation and analysis of causes and manage emerging challenges and opportunities

Investigating causes of failure

If you are to limit the impact of failure, then it will be necessary to carry out a prompt investigation and develop appropriate solutions. Minor failure may affect a specific department or process within your business. However, major failure may result in the breakdown of customer relationships, redundancy of employees, and perhaps even the closure of your business.

Methods to identify and analyse the causes of different types of failure?

- root cause analysis
- fishbone diagrams
- Catwoe

Further information can be found in your learner guide.

Investigating causes of failure

You may have to deal with the following types of failure:

- Failure to meet business objectives
- Failure to attract customers
- Failure to compete with businesses
- Failure to anticipate and respond to changes in legislation
- Failure to manage business finances
- Failure to prevent insolvency.

Prompt follow-up action

If detailed contingency plans have been created, then there will be a good chance of responding appropriately to different forms of failure. The implementation of recovery strategies may result in the restoration of a positive mindset and maintenance of high productivity levels.

Root cause analysis

It would be worth carrying out a root cause analysis to identify the reasons for business failure. This is a key business process, involving the consideration of causal factors, and the development of solutions to limit the impact of similarly negative events in the future.

Root cause analysis

There are three typical reasons for failure:

- Physical events
- Systematic errors
- Human causes.

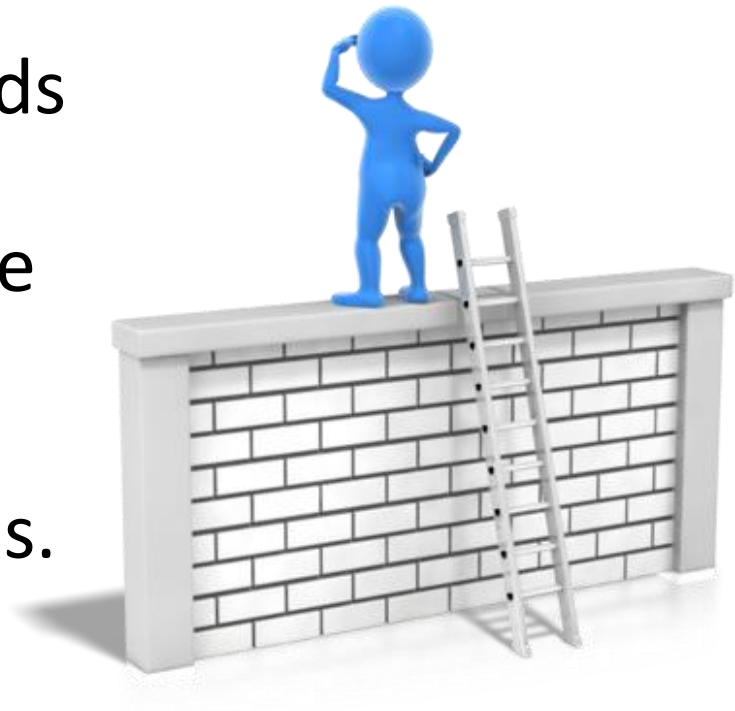
Root cause analysis

The five steps of root cause analysis should be followed:

1. Defining the problem
2. Collecting information about the problem
3. Identifying potential causes of the problem
4. Developing solutions to overcome the problem
5. Carrying out the necessary action.

Managing emerging challenges

Emerging challenges should be thoroughly investigated, analysed, and acted upon for your business to remain in a position of strength. Market research may reveal key trends and changes in customer buying behaviour. There may be a preference for particular forms of technology or expectations regarding the performance of products and services.



Managing emerging opportunities

There are bound to be a wide variety of opportunities in the rapidly advancing business world. For example, you might have the chance to market your products and services in foreign countries. It may also be possible to utilise brand new technology for the enhancement of your business processes. The range of choices may be quite overwhelming and confusing.

Managing emerging opportunities

You could use the following market research methods to identify opportunities:

- Desk-based research
- Questionnaires
- Interviews with staff/customers
- SWOT analysis
- Brainstorming sessions
- Competitor research
- Financial analysis.

Implement innovative processes

3.5 Confirm that learnings from activities are captured and managed using relevant knowledge management system

Capturing learnings from activities

Various lessons can be learned during the implementation of innovative strategies and procedural changes. You may consider the profitability and costs of manufacturing brand new products. Specific forms of marketing may prove to be particularly effective. It is important to capture such information and use it to stimulate the growth of your business.

Capturing learnings from activities

Consider the following ways of capturing business information:

- Performance reviews and appraisals
- Dashboards
- Financial records
- Marketing research
- Employee monitoring
- Customer research.

Managing business information

Effective organisation is required for the management of information from various business sources. Essential data may be gathered via different digital channels and during business meetings. It may be recorded in the form of computer data, paper documents, digital networks, and audio devices. All of the essential information should be securely saved and access restricted to relevant personnel.

Managing business information

The following systems may be used:

- Web content management
- Documents management
- Records management
- Digital asset management
- Learning management
- Learning content management
- Collaboration
- Enterprise search.

Knowledge management systems

A knowledge management system is an IT system that stores and retrieves knowledge to improve understanding, collaboration and organisation. They can be used internally within organisations, but can also be used externally as a knowledge base for your customers/users to improve their experience. It allows useful information in a business to be stored and accessed at a later date when needed.

Knowledge management systems

Examples of knowledge management systems:

- FAQ content
- Forum or community feature
- How-to articles and tutorials
- Education and training programs
- Certificates
- Case studies
- Webinars.

Develop workplace culture and tools for continuous improvement, innovation and learning

4.1 Evaluate continuous improvement systems and processes and innovation on a regular basis / 4.2 Identify and communicate with stakeholders costs and benefits of innovations and improvements

Evaluating continuous improvement

We have already outlined the various methods of continuous improvement. It is important to evaluate these methods as your business continues to grow and events impact the marketplace. You might find that some innovations are not as effective as initially thought. There might also be prospects for further improvement.

Evaluating continuous improvement

Questionnaires and surveys could be produced to find out whether your continuous improvement strategies are having the desired effect. Members of the workforce may have realised the benefits of continuous improvement methods. However, they may also have other ideas which could be implemented.

Communicating costs and benefits

The following costs may be taken into consideration:

- Research and development
- Purchase of equipment and technology
- Staff training
- Marketing
- Prototypes and service tests.

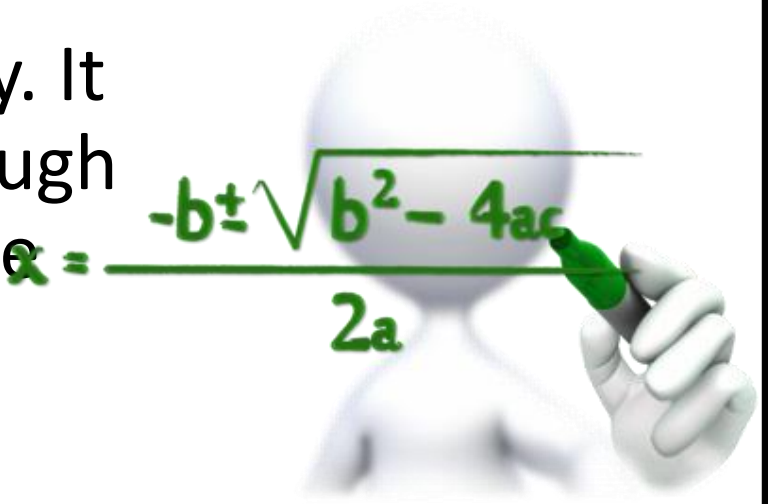
Communicating costs and benefits

These benefits may also be enjoyed:

- Business differentiation
- Increased market share
- Minimised production cost
- Improvements in workplace health and safety
- Reduced environmental impact
- Enhanced quality of goods and services
- Increased profitability.

Cost-benefit analysis

The evaluation of a proposed business idea should continue with a cost-benefit analysis. This will involve a variety of calculations, to find out whether the anticipated benefits outweigh the potential drawbacks and costs of a specific change or innovative strategy. It will be necessary to undertake thorough research, for optimum accuracy in the cost-benefit analysis.



Cost-benefit analysis

Five-step cost-benefit analysis method:

1. Consider all of the costs specific to a business decision or course of action
2. Account for the quantifiable benefits which may be enjoyed
3. Specify an amount of time for the measurement of costs and benefits
4. Base your business decision on findings
5. If you are unable to assign financial values, it may be worth adopting ranking system (on the next slide)

Ranking system

Method of innovation	Benefits	Primary ranking on a scale of 1-5	Costs	Secondary ranking on a scale of 1-5	Ratio 1/2	Final Ranking

Communicating with employees

You could organise business meetings to discuss strategic decisions about innovations and improvements with employees. You might also take the opportunity to produce documents detailing the reasons for the implementation of certain strategies. Such information could be communicated in business newsletters, emails, or printed documents.

Communicating with stakeholders

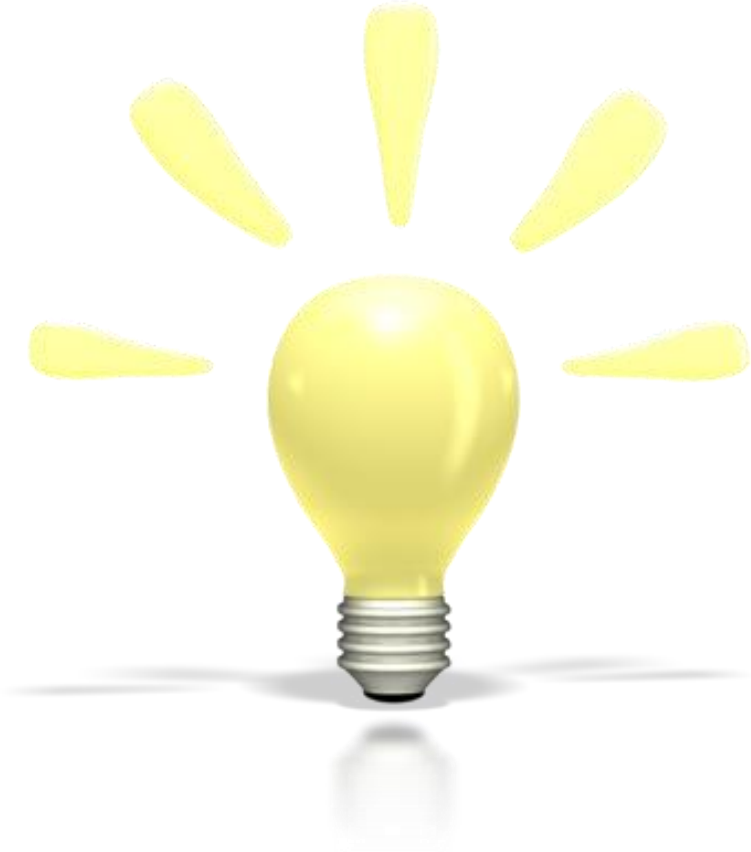
There are numerous means of communicating the anticipated benefits of business strategies to your customers. You might keep them updated via regular business blogs or email newsletters. It might even be worth sending direct mail about the major benefits of a brand new business product or service.

Develop workplace culture and tools for continuous improvement, innovation and learning

4.3 Establish rewards for continuous improvement, innovation and learning

Promoting continuous improvement and innovation

The process of continuous improvement involves the implementation of strategies, for the growth and progression of a business. There should be an evaluation of each business process, from the production of minor products to the methods of communication with customers.



Promoting continuous improvement and innovation

Your business might adopt these continuous improvement frameworks:

- Kaizen
- Total quality management
- Lean manufacturing
- ISO 9000
- Six Sigma.

Establishing rewards

Innovation may not come naturally to some members of the workforce, so you may need to identify ways to encourage it. Financial incentives should be part of an organisation's system of reward and recognition to motivate staff. This could include employees being rewarded with salary increases, bonuses, gifts, and equity etc. It is a good idea to combine financial incentives with non-financial incentives.

Establishing rewards

Non-financial rewards and incentives could include:

- Mentoring and support
- Training and development
- Increasing responsibility
- Promotions in the workplace
- Providing autonomy for work routines.

Develop workplace culture and tools for continuous improvement, innovation and learning

4.4 Seek and respond to feedback from relevant stakeholders' systems and processes for continuous improvement, innovation and learning

Seeking feedback

When implementing changes and improvements, it is important that you seek feedback from those who are most affected by them. This will help you identify if the changes are working effectively, or whether they need adjustments. It is also important for members of staff and other stakeholders to provide feedback and have their voices heard.

Seeking feedback

To keep this focused, you should determine exactly what you would like feedback on, and then develop a script or questionnaire that you can use. You may want to speak directly with people or send them a set of feedback questions or points that you want their response to. In written feedback requests, you should allow time for others to reply. They may want time to think and prepare their feedback.

Responding to feedback

Similarly to giving feedback, you will need to be able to take on board the positive and the negative feedback that is received. If you are asking for people's opinions, you must be prepared to listen and seek out the constructive parts that will help the business improve.

Responding to feedback

Make sure you thank people for sharing their feedback and respond to them by providing context on the decisions and current priorities of the business. It is important to make them feel heard as this will instil confidence and trust. You should construct a well-defined process for responding to and evaluating feedback.

Responding to feedback

You may arrange individual or group meetings on a regular basis, or you may choose to send out a written response to explain their feedback has been taken on board and considered when making business decisions. Although managing feedback can be difficult, it is one of the most critical and valued sources of data for managing your business to success.